

SC PUBLIC EMPLOYEE BENEFIT AUTHORITY- BOARD OF DIRECTORS

Health Care Policy Committee-Minutes Approved 5.20.15

200 Arbor Lake Drive, Columbia SC, Main Conference Room 2nd Floor

Thursday, March 26, 2015 – 2:30 p.m.

Health Care Committee Members Present:

Mr. Joe “Rocky” Pearce, Chairman
Mr. Art Bjontegard
Mr. Steve Heisler
Mr. Frank Fusco
Mr. Audie Penn

Others present for all or a portion of the meeting:

Peggy Boykin, Phyllis Buie, Sarah Corbett, Dayle Delong, Denise Hunter, Ariail Kirk, Heather Muller, Chanequa Roy, Laura Smoak, Rob Tester, Ken Turnbull, Travis Turner, Stephen Van Camp, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Rex Gale, Brooks Goodman, Dr. Will Harms, Matt Shaffer, and Dr. Shawn Stinson from Blue Cross Blue Shield of South Carolina; Sara Goldsby and Robert Toomey from the South Carolina Department of Alcohol and Other Drug Abuse Services; Mr. Bryan Amick from the South Carolina Department of Health and Human Services; Wayne Pruitt and Donald Tudor from the State Retirees Association of South Carolina; Mike Madalena and Eric St. Pierre from Gabriel, Roeder, Smith & Company; Will Kinney from Milliken Law Firm; and Katie Brennan from Catamaran.

1. CALL TO ORDER

Chairman Rocky Pearce called the PEBA Health Care Policy Committee (Committee) meeting to order at 2:30 p.m.

2. ADOPTION OF PROPOSED AGENDA

Mr. Steve Heisler made a motion, which was seconded by Mr. Frank Fusco, and approved unanimously, to adopt the proposed Committee meeting agenda.

3. APPROVAL OF MINUTES: FEBRUARY 18, 2015

Mr. Heisler made a motion, which was seconded by Mr. Audie Penn, and approved unanimously, to approve the February 18, 2015, Committee meeting minutes.

4. GOVERNOR’S PRESCRIPTION DRUG ABUSE PREVENTION COUNCIL

Mr. Robert Toomey, Director of the South Carolina Department of Alcohol and Other Drug Abuse Services, and co-chair of the Governor’s Prescription Drug Abuse Prevention Council, presented a report and a recommendation to resolve the epidemic of prescription drug abuse overdoses and related deaths. Mr. Toomey advised that the Governor’s Prescription Drug Abuse Prevention Council recommends that registration and utilization of the South Carolina Reporting and Identification Prescription Tracking System (SCRIPTS) be considered mandatory for prescribers to provide safe pain management. Mr. Toomey stated that good clinical practice would involve physicians verifying recent prescription drug use prior to writing a prescription of an opioid (controlled substances). It was noted that effective January 1, 2016, the State Health Plan will require in its physician contracts that opioid prescribers comply with the recommendation of the Governor’s Prescription Drug Abuse Prevention Council as to mandatory registration and utilization of SCRIPTS.

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5. **TELEMEDICINE UPDATE**

Dr. Shawn Stinson, Vice President and Chief Medical Officer, and Dr. Will Harms, Medical Affairs, from Blue Cross Blue Shield of South Carolina, provided an overview of telemedicine. Dr. Harms stated that telemedicine is a clinician-to-clinician interaction on behalf of the patient via a real-time, bi-directional, secured electronic audio and video telecommunications system to provide medical care to a patient in circumstances that do not require face-to face contact. Dr. Harms advised that telemedicine includes consultation, diagnostic and treatment services, and eliminates the hardship of traveling extended distances. Current scope of use includes consultations for high-risk pregnancy; consultation for acute stroke treatment; mental health interview examinations; and emergency room-to-emergency room consultations. Dr. Harms advised that although the house budget has \$12 million earmarked for the Medical University of South Carolina (MUSC) telemedicine, there is not any pending legislation regarding mandated telemedicine coverage.

Chairman Pearce thanked Dr. Stinson and Dr. Harms for their presentation.

6. **HEALTH CARE STRATEGIC PLANNING**

Ms. Sarah Corbett, PEBA's Chief Operating Officer, stated that staff worked collaboratively with Blue Cross Blue Shield of South Carolina, and Gabriel, Roeder Smith & Company (GRS) to develop the State Health Care Plan initiatives for 2016-2017.

Mr. Rob Tester, PEBA's Health Care Policy Director, reviewed the State Health Plan Benchmarking Against National Best Practices document which includes health care strategies already implemented; strategies in progress; and strategies to pursue in 2016-2017 and beyond.

Mr. Tester also reviewed the 2016-2017 State Health Plan Initiatives which include:

1. Developing a value-based contracting high-performance medical network;
2. Reference-Based Pricing;
3. Value-Based Contracting: Patient-Centered Medical Homes (PCMHs);
4. Specialty Pharmacy Management;
5. Value-Based Insurance Design (VBID)
6. Continued Focus on Wellness; and
7. Physician Dispensing and Pharmacy Network Management.

Following further discussion, Mr. Art Bjontegard made a motion, which was seconded by Mr. Heisler, and passed unanimously, to adopt directionally the strategies for the State Health Plan to pursue in 2016-2017, with final approval of strategies for 2016 no later than July 2015.

7. **HEALTH CARE POLICY LEGISLATIVE UPDATES**

Ms. Peggy Boykin, PEBA's Executive Director, reminded the Committee that each week staff sends out a legislative update regarding bills related to PEBA, and to please let her or Mr. Tester know if they have any questions related to the bills concerning health care.

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Ms. Boykin stated that the Senate Finance Subcommittee reviewed S 527 favorably with several amendments. Ms. Boykin advised that the amendments remove the procurement exemption and the budget approval exemption for both PEBA and the South Carolina Retirement System Investment Commission (RSIC). Thus, PEBA and RSIC will remain under the state procurement code, and will continue to submit annual budgets for approval by the General Assembly. The bill will move to the Full Senate Finance calendar.

8. OLD BUSINESS/DIRECTOR'S REPORT

Ms. Boykin reminded the Committee that the Board retreat will be March 27-28, 2015, and will include six hours of continuing education training on March 27, and the regular business meeting on March 28.

Ms. Boykin stated that staff is still compiling the results of the Medical University of South Carolina (MUSC) Patient Centered Medical Home (PCMH) pilot project, and a follow-up meeting is scheduled with MUSC on April 24, 2015. Ms. Boykin advised that an update will be provided to the Committee on the May 20, 2015 meeting.

Ms. Boykin introduced Mr. Matt Shaffer from Blue Cross Blue Shield of South Carolina, to review the members and structure of the State Health Plan Account Management Team which will attend PEBA Board meetings; provide strategic plan design and consultation; provide communications and marketing support; and manage the dedicated State Health Plan unit.

9. EXECUTIVE SESSION: PURSUANT TO SC CODE OF LAWS § 30-4-70 (a)(2)

At 4:30 p.m., Mr. Heisler made a motion, which was seconded by Mr. Penn, and approved unanimously, to recede into executive session to discuss legal, personnel and contractual matters pursuant to S.C. Code Ann. § 30-4-70.

The Committee reconvened in open session at 4:48 p.m. It was noted that no action was taken while in executive session.

10. ADJOURNMENT

There being no further business, and upon motion by Mr. Heisler, which was seconded by Mr. Fusco, and approved unanimously, the Committee meeting adjourned at 4:50 p.m.